

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REMOVAL OF ELECTRIC COOKING REQUIREMENTS)	
FROM RATE CWH, EXTENSION OF RATE CWH TO)	
ALL RESIDENTIAL AND GENERAL SERVICE)	
CUSTOMERS, TRANSFERRING ALL PRESENT)	CASE NO. 89-358
OPWH CUSTOMERS TO RATE CWH, AND DIS-)	
CONTINUANCE OF RATE OPWH)	

O R D E R

On December 8, 1989, Kentucky Utilities Company ("KU") filed an application requesting approval of a change to its Combination Off Peak Water Heating ("CWH") tariff. The change would eliminate restrictions which limit Rate CWH's availability to customers with electric ranges. KU also requested to discontinue its Off Peak Water Heating ("OPWH") tariff since the customers served on the OPWH tariff would now be eligible for the less restrictive, less costly CWH tariff. These changes would result in the CWH tariff being available to all of KU's residential and general service customers and the transfer of all current OPWH customers to the CWH tariff.

KU explained in its application that at the inception of the CWH and OPWH tariffs the cost differential for providing off peak water heating service to customers without electric ranges supported a higher rate for customers served on the OPWH tariff. A customer requesting off peak water heating would have required a 240 volt, three-wire service with a properly sized line

transformer. A customer with an electric range would already have such service in place while for a customer without an electric range, KU would be required to install such a service.

KU further explained that the cost differential that existed several years ago no longer exists. Current minimum size requirements for services and line transformers result in sufficient capacity to permit the addition of off peak water heaters without installing new facilities.

KU stated that its proposed changes would make its CWH tariff available to approximately 127,000 customers not previously eligible due to the electric range restriction. The only rate effect of the proposed changes would be the reduced energy rate charged to the current OPWH customers after their transfer to the lower rate CWH tariff. This rate reduction would result in an annual savings of approximately \$11 per customer for former OPWH customers and would reduce KU's annual revenue by \$23,000.

The Commission, based on the evidence of record and being otherwise sufficiently advised, finds that:

1. The tariff changes proposed by KU will make its lowest off peak water heating rate available to all its residential and general service customers.

2. The tariff changes proposed by KU will not result in any increase in rates for any customer and will, in fact, result in a rate reduction for the customers transferred from Rate OPWH to Rate CWH.

3. The tariff changes proposed by KU are fair, just, and reasonable and should be approved for service rendered by KU on and after the date of this Order.

IT IS THEREFORE ORDERED that:

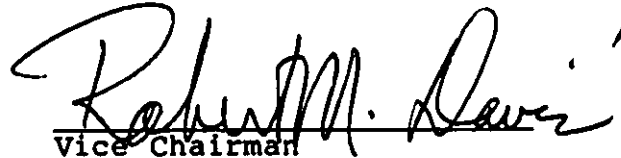
1. The tariff changes proposed by KU are approved for service rendered by KU on and after the date of this Order.

2. Within 30 days from the date of this Order, KU shall file with this Commission revised Tariff Sheets 7 and 8 setting out the tariff changes approved herein.

Done at Frankfort, Kentucky, this 8th day of January, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director